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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/072,552

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James A. Nielson

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EXAMINER

TROTTER, SCOTT S

ART UNIT

PAPER NUMBER

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/072,552	<b>Applicant(s)</b> NIELSON, JAMES A.	
	<b>Examiner</b> SCOTT S. TROTTER	<b>Art Unit</b> 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 31 December 2007.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-15, 22 and 23 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-15, 22 and 23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                     | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Status of the Claims***

1. This action is in response to the response filed on December 31, 2007. Claims 1-15 and 22-23 are pending and examined. Claims 16-21 are canceled.

### ***Response to Arguments***

2. Applicant's arguments filed December 31, 2007 have been fully considered but they are not persuasive.
3. Regarding the 101 rejection. A contract is an agreement which is an abstract idea. Therefore it meets a judicial exception and is not statutory.
4. Regarding claim 1 including more specificity than "it is old and well known in the art of contracts law to use contracts to assign rights and responsibilities" those are the details that you state that you are not claiming. This is the extension of credit to the contractor by the lender for building supplies. Also a sale is by its nature a contractual agreement and the creditor for a sale is clearly entering into an agreement with at least one of the parties. Building supply warehouses give up their right to assign a mechanics lien every day in return for payment in full or payment by credit card that even includes transaction costs paid by the merchant and a loan made by the lender. Therefore it certainly obvious for them to sell their right to assign a mechanics lien in return for payment since surrendering that right has always been a part of every sale. Regarding lenders selling building supplies every building supply warehouse that provides credit is fulfilling this it is part of the background disclosure.

5. Since Applicant(s) did not seasonably traverse the Official Notice statement(s) as stated in the previous Office Action (Dated 07/31/2007, Paragraph No. 9), the Official Notice statement(s) are taken to be admitted prior art. See MPEP §2144.03.

***Claim Rejections - 35 USC § 112, second paragraph***

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claim 2 and 23 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In claim 2 the lender is supposed to be assigned right to record a mechanics lien for supplies where it financed the sale but since it already has that right because of the suppliers rights assigned in claim 1 the scope of claim 2 cannot be ascertained.

Clarification and/or correction are required.

***Claim Rejections - 35 USC § 101 Utility***

8. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

9. Claims 1-4, 13, 14, and 22-23 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 1-4 and 22-23 are directed to entering contractual relationships and assigning rights these are abstract ideas they neither produce a physical transformation nor produce a useful, concrete, and tangible result such as a share price but rather a contractual relationship, which is

intangible. Claims 13 and 14 are directed to forming a network of customers using the service, which is neither tangible nor a concrete result.

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-4, 6-12, 22, and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over admitted prior art in view of Management Accounting (November 1997, Vol. 75, Iss. 10; Page 4 hereafter Management).

As per claims 1 and 22 the admitted prior art teaches a supplier extending credit to a building contractor. (*See page 2 lines 11-23 of the specification.*) The admitted prior art also discloses, that "state law provides means by which such credit extensions may be secured by the recording of mechanics' liens." It is old and well known in the art of contract law to use contracts to assign rights and responsibilities. While the admitted prior art does not teach outsourcing the financing functions to a third party it is taught by Management. (*See Abstract.* Outsourcing is a concept applied to finance functions.) Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to outsource finance functions to a lender because it is a function that is repetitive and requires significant IT investment to do well.

As per claim 2 and 3 Management teaches outsourcing finance functions. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to outsource the recording of liens by assigning that right to the lender.

As per claim 3 it is old and well known in the art of contracts to use electronic contracts. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to use an electronic contract between the lender and the building supplier for convenience purposes.

As per claim 4 it is old and well known in the art of contracts to sign a contract digitally. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to use a digital signature to sign a contract for convenience purposes.

As per claim 6 the admitted prior art teaches that state law provides for the recording of mechanics' liens therefore in order to record such a lien sufficient information to comply with the state law must be gathered. It is old and well known in the art of information gathering to do so electronically. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to obtain the information necessary to file a mechanics' lien in electronic form for ease of storage and transmission.

As per claim 7 it is old and well known in the art of finance to assign unique account numbers that relate back to a particular customer. Since each separate project requires different information each could be considered a separate customer for

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financing purposes. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to assign unique account numbers for each building project so that the level of financing committed to each project could be tracked.

As per claims 8 and 9 it is old and well known in the art of identification to use a digital notary and signatures to prove the identity of an individual being transacted with. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to require that the lender will be required to prove who they are by the use of digital signatures and the use of a digital notary to prove the lender's identity.

As per claims 10, 11, and 12 the admitted prior art teaches State Law providing means for recording mechanics' liens. That obviously requires the ability for the recording agency to receive a message in some form since even if they require papers to be filed in person they are accepting a message regarding what needs to be recorded. It is old and well known in the art of filing liens for state law to require the delivery of notice of the potential lien to the landowner in order to file it, which requires obviously requires delivering a message to a landowner. It is old and well known in the art of messaging to send and receive electronic messages and to send a receipt confirming the message was received. It is also old and well known in the art of messaging to store messages and to use software such as America Online to implement messaging. It is also old and well known in the art to check government records such as liens electronically. Therefore it would have been obvious to a person

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of ordinary skill in the art at the time the invention was made to record liens by sending electronic messages including a return receipt request to the recording agency and other parties as a faster more convenient way to deliver the message the accuracy of what was recorded can be ascertained by electronically checking the relevant records.

7. Claim 5 is rejected under 35 U.S.C. 103(a) as being unpatentable over admitted prior art in view of Management and Colberg. (Tulsa World, January 19, 2000. Page 1 by Sonya Colberg hereafter Colberg.)

As per claim 5 the combined teachings of the admitted prior art and Management teach claim 1 including extending credit from the lender. (*See page 2 lines 11-23 of the specification.*) While they do not explicitly teach making such purchases electronically Colberg teaches buying building supplies online. (*See Colberg the second sentence of the Abstract.*) It would have been obvious to a person of ordinary skill in the art at the time the invention was made to have allowed contractors to purchase building supplies online using credit extended by the lender because it is essential find the proper supplies to finish construction projects.

8. Claims 13 and 14 are rejected under 35 U.S.C. 103(a) as being unpatentable over admitted prior art in view of Management and Official Notice. Official Notice is taken that it is old and well known in the art of business to develop networks of customers that use a service and to have a customer list that is shared with other customers an obvious example is a phonebook.

As per claim 13 the Official Notice teaches developing a network. It would have been obvious to a person of ordinary skill in the art at the time the invention was made



to develop a network of customers that are outsourcing their financing to encourage economies of scale for the lender making possible lower prices for the customers.

As per claim 14 the Official Notice teaches having a customer list that is shared with other customers. It would have been obvious to a person of ordinary skill in the art at the time the invention was made to share the customer list to allow customers to know which other building supply wholesalers they could use while staying within their network when the jobsite is far from there normal suppliers.

9. Claim 15 is rejected under 35 U.S.C. 103(a) as being unpatentable over Silverman et al. (U.S. Patent 5,924,082 hereafter Silverman) in view of admitted prior art and Management.

As per claim 15 facilitating transactions using a computer is taught by Silverman. (*See Abstract.* The matching system is a computer.) Silverman also teaches sending an offer, (204) if it is accepted recording it and distributing the results. (*See Figure 2 steps 204 entering an offer, and steps 222-224 accepting an offer, recording the transaction and distributing the results.*) The admitted prior art teaches a supplier extending credit to a building contractor. (*See page 2 lines 11-23 of the specification.*) The admitted prior art also discloses, that “state law provides means by which such credit extensions may be secured by the recording of mechanics’ liens.” It is old and well known in the art of contract law to use contracts to assign rights and responsibilities. It is old and well known in the art of contracts to use electronic contracts and to sign them digitally. While the admitted prior art does not teach outsourcing the financing functions to a third party it is taught by Management. (*See*

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*Abstract.* Outsourcing is a concept applied to finance functions.) Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to outsource finance functions of both the contractor and building supply wholesaler to a lender because it is a function that is repetitive and requires significant IT investment to do well.

### ***Conclusion***

10. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

11. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure:

Rules of Contract Law teaches assigning rights by using a contract. (*See Page 35.*)

The Augusta Chronicle (Nov. 20, 1999) teaches that electronic contracts can be signed electronically and are fully enforceable.

Morning Star (Feb. 5, 2000) teaches searching on the Internet, which is an electronic information repository from which information can be obtained.

Obtaining information in electronic form is as old as the Internet.

Braun (U.S. Patent 3,594,727, column 14 lines 54-58) teaches each customer having a unique account number to identify them.

Business Wire (Nov. 3, 1999) teaches having Notaries provide digital certification of an individual's identity credentials.

The Official America Online Tour Guide, Fourth Edition teaches sending electronic messages with return receipts, storing messages, and doing so using the America Online software.

PR Newswire (Jan. 19, 2000) ACS Launches New Web-based Service for County Government Records teaches accessing government records online including any liens against a property being searched.

Arkansas Code Annotated §18-44-114 & §18-44-115 teach that when filing a mechanics lien it is required to give notice to the landowner with one of the options being to send a message to the landowner using certified mail.

12. Examiner's Note: The Examiner has cited particular columns and line numbers in the references as applied to the claims for the convenience of the applicant.

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Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

13. Any inquiry concerning this communication from the examiner should be directed to Scott S. Trotter, whose telephone number is 571-272-7366. The examiner can normally be reached on 8:30 AM – 5:00 PM, M-F.

14. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell, can be reached on 571-272-6712.

15. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

16. The fax phone number for the organization where this application or proceeding is assigned are as follows:

(571) 273-8300	(Official Communications; including After Final Communications labeled "BOX AF")
(571) 273-6705	(Draft Communications)

/Scott Trotter/  
4/2/2008

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/James P Trammell/  
Supervisory Patent Examiner, Art Unit 3694